



(Constituted in the Republic of Singapore  
pursuant to a trust deed dated 9 October 2002 (as amended))

## **ANNOUNCEMENT**

### **Issue of Units to Manager in lieu of Management Fees**

The Board of Directors of Ascendas-MGM Funds Management Limited ("**Ascendas-MGM**") wishes to announce that 904,807 units in Ascendas Real Estate Investment Trust ("**A-REIT**") ("**Units**") have been issued to Ascendas-MGM, in its capacity as manager of A-REIT. The Units were allotted at an issue price of S\$2.30 per Unit, in lieu of the payment of 50% of the base fee ("**Base Fee**") component of the management fee for the period from 19 November 2004 to 18 May 2005 in respect of the first 19 properties<sup>1</sup> and for the period from 19 November 2004 to 31 March 2005 in relation to the properties acquired from November 2004 to 31 March 2005.

The Base Fee is defined in the trust deed constituting A-REIT (the "**Trust Deed**") as 0.5% per annum of the value of all the gross assets of A-REIT. In accordance with the Trust Deed, the issue price was determined based on the volume weighted average traded price for a unit for all trades done on Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the ordinary course of trading on the SGX-ST for 10 business days immediately preceding the date of issue of Units to Ascendas-MGM.

This mode of paying 50% of the Base Fee in Units was disclosed in the section entitled "The Manager and the Sponsors" on page 125 of the prospectus dated 5 November 2002 issued in connection with the initial public offering of units.

At A-REIT's last extraordinary general meeting held on 2 November 2004, A-REIT's unitholders approved an extraordinary resolution where the Manager may, in relation to each new property acquired by A-REIT irrevocably elect at any time to receive its base fee and performance fee payable under A-REIT's trust deed in the form of cash and/or Units.

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<sup>1</sup> The first 19 properties are: Alpha, Aries, Capricorn, Gemini, Honeywell, Techlink, Techplace I, Techplace II, OSIM HQ Building, Ghim Li Building, Ultro Building, Changi Logistics Centre, Siemens Center, Trivec Building, TT International Tradepark, IDS Logistics Corporate HQ, Nan Wah Building, Progen Building, C&P Logistics Hub.

In respect of the 23 properties<sup>2</sup> acquired by A-REIT since November 2004, the Manager has elected to receive its Base Fee entirely in cash and its Performance Fee entirely in Units.

The change to the payment method of the Base Fee in relation to these 23 properties was effective from 1 April 2005.

For the first 19 properties owned by A-REIT, the Manager will continue to receive its Base Fee in equal proportions of cash and Units. The performance fee ("**Performance Fee**") will continue to be paid entirely in Units.

Following the above issue of Units, the total A-REIT units on issue is 1,163,647,175 of which Ascendas-MGM's holding is 8,704,598 units.

By Order of the Board

Ascendas-MGM Funds Management Limited (Company Registration No. 200201987K)  
as manager of Ascendas Real Estate Investment Trust

Tay Hsiu Chieh

Company Secretary

18 July 2005

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<sup>2</sup> The 23 properties are: Infineon Building, Techpoint, Wisma Gulab, Autron Building, Exklusiv Centre, SB Building, Steel Industries Building, Volex Building, CG Aerospace Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Telepark, Kim Chuan Telecommunications Complex, KA Centre, KA Place, AEM-Evertch Building, Da Vinci Building, Hyflux Building, MSL Building, 7 Changi South Street 2 and Weltech Building.